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PTO/SB/01 (08-03)  
Approved for use through 7/31/2006. OMB 0651-0032  
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

**DECLARATION FOR UTILITY OR  
DESIGN  
PATENT APPLICATION  
(37 CFR 1.63)**

☐ Declaration Submitted With Initial Filing  
OR  
☒ Declaration Submitted after Initial Filing (surcharge (37 CFR 1.16 (e)) required)

Attorney Docket Number 36287-04404

First Named Inventor GRAY, et al.

**COMPLETE IF KNOWN**

Application Number 10/723,264

Filing Date November 26, 2003

Group Art Unit TBA

Examiner Name TBA

As a below named inventor, I hereby declare that:

My residence, post office address, and citizenship are as stated below next to my name.

I believe I am the original and first inventor of the subject matter which is claimed and for which a patent is sought on the invention entitled:

**METHOD AND SYSTEM FOR TRANSFER OF EMPLOYEE STOCK OPTIONS**

the specification of which (Title of the Invention)

☐ is attached hereto

OR

☒ was filed on (MM/DD/YYYY) 11/26/2003 as United States Application Number or PCT International

Application Number 10/723,264 and was amended on (MM/DD/YYYY) (if applicable).

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims as amended specifically referred to above.

I acknowledge the duty to disclose information which is material to patentability as defined in 37 CFR 1.56, including for continuation-in-part applications, material information which became available between the filing date of the prior application and the national or PCT international filing date of the continuation-in-part application.

I hereby claim foreign priority benefits under 35 U.S.C. 119(a)-(d) or (f), or 365(b) of any foreign application(s) for patent, inventor's or plant breeder's rights certificate(s), or 365(a) of any PCT international application which designated at least one country other than the United States of America, listed below and have also identified below, by checking the box any foreign application(s) for patent, inventor's or plant breeder's rights certificate(s), or of any PCT international application having a filing date before that of the application on which priority is claimed.

Prior Foreign Application Number(s)	Country	Foreign Filing Date (MM/DD/YYYY) Country	Priority Not Claimed	Certified Copy Attached?	
				YES	NO
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

☐ Additional foreign application numbers are listed on a supplemental priority data sheet PTO/SB/02B attached hereto:

[Page 1 of 3]

This collection of information is required by 35 U.S.C. 115 and 37 CFR 1.63. The information is required to obtain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 21 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

NY2:#4569555

FTO/SG/01 (05-03)  
Approved for use through 7/31/2003. OMB 0551-0052  
U.S. Patent and Trademark Office U.S. DEPARTMENT OF COMMERCE  
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## DECLARATION — Utility or Design Patent Application

Direct all correspondence to: ☐ Customer number or Bar Code Label 27171 OR ☐ Correspondence address below

Name Chris L. Holm, Esq.  
Address 1 Chase Manhattan Place  
City New York State NY ZIP 10005-1413  
Country USA Telephone (212) 530-5000 Fax (212) 530-5219

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001 and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

NAME OF SOLE OR FIRST INVENTOR: ☐ A petition has been filed for this unsigned inventor

Given Name (first and middle (if any)) STEPHEN E. Family Name or Surname GRAY

Inventor's Signature *Stephen E. Gray* Date 6/15/04

Madison NJ USA US  
Residence: City State Country Citizenship

20 Lawrence Rd.  
Mailing Address

Madison NJ 07940 USA  
City State Zip Country

NAME OF SECOND INVENTOR: ☐ A petition has been filed for this unsigned inventor

Given Name (first and middle (if any)) STEPHEN L. Family Name or Surname ROTI

Inventor's Signature *Stephen L. Roti* Date

Woodmere NY USA US  
Residence: City State Country Citizenship

33 Clubside Drive  
Mailing Address

Woodmere NY 11598 USA  
City State Zip Country

<b>NAME OF THIRD INVENTOR:</b>		<input type="checkbox"/> A petition has been filed for this unsigned inventor	
Given Name (first and middle (if any))		Family Name or Surname	
DAVID A.		SEAMAN	
Inventor's Signature		Date	
<i>David A Seaman</i>		6/14/04	
Short Hills	NJ	USA	US
Residence: City	State	Country	Citizenship
28 Martindale Rd.			
Mailing Address			
Short Hills	NJ	07078	USA
City	State	Zip	Country
<b>NAME OF FOURTH INVENTOR:</b>		<input type="checkbox"/> A petition has been filed for this unsigned inventor	
Given Name (first and middle (if any))		Family Name or Surname	
Inventor's Signature		Date	
Residence: City	State	Country	Citizenship
Mailing Address			
City	State	Zip	Country
<b>NAME OF FIFTH INVENTOR:</b>		<input type="checkbox"/> A petition has been filed for this unsigned inventor	
Given Name (first and middle (if any))		Family Name or Surname	
Inventor's Signature		Date	
Residence: City	State	Country	Citizenship
Mailing Address			
City	State	Zip	Country
<input type="checkbox"/> Additional Inventors are being named on the _____ supplemental Additional Inventor(s) sheet(s) PTO/SB/02A attached hereto.			



Please type a plus sign (+) inside this box →

+

PTO/SB/51 (8-03)

Approved for use through 11/30/2005. OMB 0851-0035  
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

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**POWER OF ATTORNEY OR  
AUTHORIZATION OF AGENT**

Application Number	10/723,264
Filing Date	November 26, 2003
First Named Inventor	GRAY et al.
Group Art Unit	TBA
Examiner Name	TBA
Attorney Docket Number	36287-04404

I hereby appoint:

☐ Practitioners at Customer Number

27171

OR

☒ Practitioner(s) named below:

Name	Registration Number	Name	Registration Number
Christopher E. Chelsen	30,836	Claire A. Gilmartin	51,735
Robert J. Koch	26,637	Jay I. Alexander	32,678
Michael M. Murray	32,537	Robert W. Busby, Jr.	40,930
Errol B. Taylor	39,853	John J. Yim	47,197
Frederick M. Zullo	32,452	Einar Stole	47,272
John M. Griem	40,005	Christopher M. Guest	48,515
Lawrence T. Kass	40,671	Jennifer L. Overly	51,197
James R. Klaiber	41,902	Lisa Coward	44,081
Chris L. Holm	39,227	Kimberly N. Van Voorhis	48,009
Christopher J. Gaspar	41,030	Marc D. Peters	46,988
Frank A. Bruno	46,583		

as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the Patent and Trademark Office connected therewith.

Please change the correspondence address for the above-identified application to:

☐ The address associated with Customer Number:

<input checked="" type="checkbox"/> Firm or Individual Name	Chris L. Holm Milbank, Tweed Hadley & McCloy LLP				
Address					
Address	1 Chase Manhattan Plaza				
City	New York	State	NY	ZIP	10005-1314
Country	United States				
Telephone	(212) 530-5000	Fax	(212) 530-5219		

I am the:

☒ Applicant/Inventor.☐ Assignee of record of the entire interest. See 37 CFR 3.71.

Certificate under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96).

**SIGNATURE of Applicant or Assignee of Record**

Name	Stephen E. GRAY
Signature	<i>Stephen E. Gray</i>
Date	6/14/04

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below.

☒ Total of 3 forms are submitted.

This collection of information is required by 37 CFR 1.31 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any Comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Please type a plus sign (+) inside this box →



PTO/SB/61 (8-03)

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U.S. Patent and Trademark Office, U.S. DEPARTMENT OF COMMERCE

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**POWER OF ATTORNEY OR  
AUTHORIZATION OF AGENT**

Application Number	10/723,264
Filing Date	November 26, 2003
First Named Inventor	GRAY et al.
Group Art Unit	TBA
Examiner Name	TBA
Attorney Docket Number	36287-04404

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27171

☒ Practitioner(s) named below:

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Michael M. Murray	32,537	Robert W. Busby, Jr.	40,930
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John M. Gitem	40,005	Christopher M. Guest	48,515
Lawrence T. Kass	40,671	Jennifer L. Ovary	51,197
James R. Klaiber	41,902	Lisa Coward	44,091
Chris L. Holm	39,227	Kimberly N. Van Voorhis	48,009
Christopher J. Gaspar	41,030	Marc D. Peters	48,988
Frank A. Bruno	46,583		

as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the Patent and Trademark Office connected therewith.

Please change the correspondence address for the above-identified application to:

☐ The address associated with Customer Number:

☒ Firm or  
Individual Name
Chris L. Holm  
Milbank, Tweed Hadley & McCloy LLP

Address

Address

1 Chase Manhattan Plaza

City

New York

State

NY

ZIP

10005-1314

Country

United States

Telephone

(212) 530-5000

Fax

(212) 530-5219

I am the:

☒ Applicant/Inventor.

☐ Assignee of record of the entire interest. See 37 CFR 3.71.

Certificate under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/66).

## SIGNATURE of Applicant or Assignee of Record

Name

David A. SEAMAN

Signature

Date

6/14/04

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below.

☒ Total of 3 forms are submitted.

This collection of information is required by 37 CFR 1.31 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.



## DECLARATION

I, Catherine Y. Harper, do hereby state:

1. I am employed by J. P. Morgan Chase & Co..
2. On separate occasions at least beginning in June 2004, I left voice messages for Mr. Steven L. Roti, received voice messages from Mr. Roti, and spoke with Mr. Roti's assistant regarding his cooperation as an inventor, and in particular requesting his signatures on declarations, power of attorneys, and assignments for U.S. Patent Application Serial Numbers 10/666,979 and 10/723,264 (collectively "the '979 and '264 applications"). Copies of the '979 and '264 applications, declarations, powers of attorney, and assignments for the '979 and '264 applications were provided for his review and signature.
3. According to our records, the last known address of Mr. Roti is 33 Clubside Drive, Woodmere, NY 11598. In my telephone calls, I have left telephone messages for Mr. Roti at Credit Suisse, who I understand is his current employer.
4. From the context of the voice messages left by Mr. Roti in response to my calls, it is clear that Mr. Roti understood that the purpose of my communications was in regards to his cooperation as an inventor of the '979 and '264 applications, and a request for his signatures on declarations, power of attorneys, and assignments for those applications.
5. As of July 8, 2004, Mr. Roti has not returned a signed declaration, or a signed power of attorney, or a signed assignment for the '979 and '264 applications..
6. I assert that I have made a diligent effort to contact Mr. Roti at his current employer and that Mr. Roti has not signed declarations, or powers of attorney, or assignments for the inventions that are described and claimed in the '979 and '264 applications.
7. I make this declaration under oath and without reservation.

July 8<sup>th</sup>, 2004 date Catherine Y. Harper  
Catherine Y. Harper



## DECLARATION

I, Andrew N. Cadel, do hereby state:

1. I am a Vice President and Corporate Officer of JPMorgan Chase Bank, a wholly owned subsidiary of J.P. Morgan Chase & Co. Incorporated, formerly J.P. Morgan & Co. Incorporated ("J.P. Morgan").
2. Prior to the filing of U.S. Patent Application Serial No. 10/723,264 on November 26, 2003, Mr. Stephen L. Roti (hereinafter the "named inventor") was an employee of J.P.Morgan Securities Inc., a wholly owned indirect subsidiary of J.P. Morgan.
3. The invention that is disclosed and claimed in U.S. Patent Application Serial No. 10/723,264 was conceived by the named inventor and others during and in the scope of his employment at J.P. Morgan.
4. As an employee of J.P. Morgan, the named inventor was required to adhere to the Worldwide rules General standards of conduct (the "Worldwide rules"), a copy of which is attached hereto as Exhibit A.
5. The Worldwide rules establish the ownership rights of J.P. Morgan to inventions conceived by employees in the scope of their employment with J.P. Morgan.
6. During the month of July 2002, the named inventor did by electronic means acknowledge and certify: 1) that he had received the Worldwide rules; 2) that he had read and understood the Worldwide rules, and 3) that he has complied in the past and will comply in the future with the Worldwide rules.
7. The named inventor is not a current employee of J.P. Morgan.
8. To my knowledge the named inventor has not executed a declaration or assignment for U.S. Patent Application Serial No. 10/723,264 although diligent efforts were made to have him execute such documents.
9. Filing and prosecution of Application Serial No. 10/723,264 is necessary to preserve the rights of J.P. Morgan in that it is believed that one or more of the inventors or their current employers may enter into competition with J.P. Morgan in the field to which the invention is addressed.

10. In view of the above facts, I do hereby submit that status under 37 C.F.R. § 1.47 is necessary to preserve the rights of J.P. Morgan Chase & Co. Incorporated.

11. I make this declaration under oath and without reservation.

July 9, 2004 date



Andrew N. Cadel, Vice President, JPMorgan Chase Bank

NY2:#4598709



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# Worldwide Rules General Standards of Conduct Policy

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Effective Date	11/16/99
Contacts	Brent Taylor
Heritage Firm	JP Morgan
Owner	Compliance

**Applicability:**

Business Group	All Groups
Business Region	All Regions
Business Location	All Locations



**CAUTION:** This document was used in a predecessor organization. It has not been updated to reflect the new organization, and roles and responsibilities may now be different from what is indicated in this document. Updated material will be posted as soon as it becomes available.

**Worldwide Rules: General Standards of Conduct, November 1999**

**Letter to all Morgan colleagues**

When you joined J.P. Morgan, the firm placed its trust in your ability to conduct Morgan's business, as well as your own, responsibly and ethically. You earn that trust every day by demonstrating good judgment and applying high ethical standards to your work, as well as by acting within the letter and the spirit of the laws governing our business and the rules set down by this firm. Your integrity is vitally important to our reputation and, therefore, to our business.

The most important rule is also the most general: Never sacrifice integrity, or give the impression that you have, even if you think it would help Morgan's business.

Our general standards of conduct, as explained in this brochure, deal with Morgan business conducted with clients and employees and to your personal financial dealings and outside activities. These rules are meant to help guide your conduct in a variety of circumstances.

We expect you to understand and follow these rules, as well as any specific rules or procedures that apply to your particular business, location, or function. Moreover, we expect you to ensure that employees under your supervision also know and comply with these rules. If you have a question about a rule or how it applies in a particular situation, discuss it with your manager or consult with the Legal department.

No rulebook can anticipate every situation. Ultimately, the personal integrity of every Morgan employee defines the character of the firm. Mistakes will be made -- no one is immune to them -- but we can ensure that they are "errors of judgment and not of principle," to use the distinction made by J.P. Morgan Jr. many years ago.

Douglas A. Warner III  
Chairman and Chief Executive Officer

**Summary of rules**

The following rules apply to Morgan employees worldwide.

You are required to:

1. Conduct Morgan's business in full compliance with both the letter and the spirit of the law and with these rules.
2. Use confidential and "inside" information properly.
3. Recognize and avoid conflicts of interest.

4. Respect and protect all ownership rights of Morgan and other entities both during and after your employment at Morgan.
5. Conduct outside activities in a way that does not compromise you or Morgan.
6. Manage your personal finances properly.
7. Treat Morgan employees, customers, and all other business associates fairly and with respect.
8. Carry out personal securities and other financial transactions in accordance with Morgan's rules, including the preclearance of transactions and, if required in your location, use of a designated broker.

### Summary of Principal Changes to the JPM Worldwide Rules

Effective November 1999, Morgan has revised the JP Morgan Worldwide Rules- General standards of conduct. Listed below is a summary of the principal changes made from the December 1996 version:

- Added a box at the beginning specifying the consequences of violating the Rules, and stating that the Rules are a condition of employment, apply after leaving Morgan and are subject to all applicable local laws and regulations.
- Specified in the box that consultants on assignment at Morgan are subject to these Rules and other Morgan policies and procedures as agreed to at the beginning of their assignment.
- Included language in Rule 2 regarding the following: privacy issues and safeguarding personal information; the confidentiality risks inherent in electronic communications; and the confidential nature of information posted on JPM's intranet websites as well as the public nature of information posted on JPM's public internet website.
- Updated Rule 2 to provide that information is deemed "public" once it has been publicly announced or otherwise disseminated in a manner that makes the information available to all interested persons.
- Added language in the Chinese Wall section of Rule 2 requiring Compliance to be contacted when an inside area employee gives a public side employee non-public information regarding an investment banking engagement.
- Rewrote Rule 4 to strengthen Morgan's proprietary rights and to add a one-year restriction on solicitation of Morgan clients or employees after leaving Morgan.
- Revised Rule 5 to require not just officers but all employees to get prior approval to become a director or officer of corporations (except nonprofits), member of a partnership (other than a limited partner for investment purposes), an executor, trustee, or fiduciary advisor (other than for a family member).
- Clarified in Rule 5 that full time staff members must inform their manager (rather than supervising officer) prior to taking on additional jobs.
- Clarified in Rule 7 that questions regarding Morgan's policy regarding treatment of others and/or potential violations of that policy should go to the employee's manager or the Employee Relations unit in HR.
- Added language in Rule 8 regarding the preclearance requirement and if required in your location, the use of a designated broker.
- Clarified in Rule 8 that investments in hedge funds and private companies by employees must be pre-cleared with Compliance.

The following pages present these rules in detail.

You should be aware that if you violate these rules you are subject to disciplinary action, up to and including termination or other legal actions. It is also your obligation to immediately report any violation of these rules to your local Compliance officer in the Legal department and to the Audit department.

You will be required to certify to Compliance annually that you have received, read, and agree with these rules and that you have and will continue to comply with them.

Compliance with these rules is a condition of your employment, and you must continue to follow them even after you leave Morgan, regardless of the reason for your departure.

All consultants on assignment at Morgan are subject to these rules and other specified Morgan policies and procedures as agreed to at the beginning of each assignment.

These rules are subject to all applicable local laws and regulations, including labor and employment laws.

**1. You are required to conduct Morgan's business in full compliance with both the letter and the spirit of the law and with these rules.**

Maintaining our premier position in international financial markets requires innovation and aggressive action. At the same time, maintaining our reputation for integrity and fair dealing requires that we act responsibly. At all times you must stay within the letter and spirit of these rules, the rules of regulatory authorities, and the laws of any country that apply to our business. In addition, you are required to meet the high standards of ethics and quality we set for our services and for ourselves.

The aim of the firm, as expressed by J.P. Morgan Jr. in 1933, continues to be "doing only first class business, and that in a first class way."

If you have a legal or ethical question about any business you conduct for Morgan, consult your manager or a member of the Legal department immediately.

**2. You are required to use confidential and "inside" information properly.**

One of Morgan's most critical responsibilities is to maintain the trust placed in us by our clients. Confidential and personal information -- whether obtained from clients, other business associates, or sources within the firm -- must be safeguarded.

Your work will give you knowledge of confidential information about Morgan's business affairs, products, employees, consultants, clients, business partners, and suppliers, as well as current and planned developments. Both during and after your employment, you may not directly or indirectly use, disclose, or make available to anyone any confidential or personal information, except as permitted by these rules.

Risks associated with the electronic communication of confidential information -- for instance, by e-mail or through the Internet -- make it imperative that you take extra care to protect confidential information. All employees are required to be aware of and comply with Morgan's Internet Security Policy and other applicable Corporate Information Risk Policies.

**Understanding the differences between confidential, personal, and inside information**

Confidential information is any information that is not readily available to the public. It includes not only information received from a client but also information about any client's transactions, accounts, or other activities at Morgan, as well as Morgan's internal assessment of the client's creditworthiness. Other information considered confidential includes (but is not limited to) proprietary information about Morgan's own business or financial condition, including information posted on Morgan's internal intranet websites, other than that publicly disclosed; client lists and client-contact information; data and knowledge that has been created, discovered, or developed by Morgan or its employees or agents (including yourself) or has become the property of Morgan; and information about employees.

Personal information generally consists of any information relating to an identified or identifiable person. Privacy laws in many jurisdictions mandate that personal information be regarded as highly sensitive and confidential. At Morgan, personal information includes data regarding clients, business partners, employees, consultants, and suppliers.

Inside information, as discussed in greater detail below, is confidential, nonpublic information that is material. While Morgan's confidentiality policy applies to all confidential information, Morgan's

Chinese Wall policy and procedures apply only to inside information.

### **Confidential information**

You must take care in what you say to whom, and where. Outside consultants who must have access to confidential information to perform their functions are required to sign agreements to maintain the confidentiality of such information. Nevertheless, be sure to exercise particular care to minimize the exposure of such consultants and temporary workers to any confidential information you possess. Recognize as well that your obligation to protect the confidentiality of information you obtain at Morgan continues after you leave the firm.

### **Confidential client information**

Morgan's policies on handling confidential client information are based on a "need to know" standard. Information received from a client and client information from sources within Morgan should be disclosed only to colleagues who need the information to serve that client. You must be sure that giving them such information does not create a conflict of interest or the appearance that you have misused this information. Confidential client information received by Morgan in one capacity should generally not be furnished to others for a different Morgan business purpose without the client's consent. Because our business situations are so complex and various, however, you must obviously apply these policies on a case-by-case basis to achieve a commonsense approach. For example:

- Clients generally expect their confidential information to be shared with Morgan senior management and with other members of the client team and, in the case of Investment Banking clients, with other Investment Banking professionals as appropriate, subject to the firm's Chinese Wall policy. Sharing confidential client information beyond this group will generally require client consent. Material information, of course, can be discussed only in accordance with the Chinese Wall policy discussed below.
- In some cases it is necessary to use confidential client information to protect Morgan from credit or market risk. The use of material nonpublic information is of course always subject to securities law prohibitions against insider trading. It may be permissible, however, to protect Morgan's exposure, for example, by lowering credit lines on the basis of confidential client information. Before taking such steps, always consult a Compliance officer.
- To serve all our clients, it may be beneficial to share information within Morgan on new products or transactions with unique or significant features. When sharing such information, however, you should avoid using the client's name or otherwise specifically identifying the client unless the information is already public. You should not share such information if doing so would divulge proprietary information or otherwise disadvantage the client.
- There may be other cases in which it is appropriate to share confidential client information within Morgan, but any such sharing is permitted only with approval by your supervising managing director and Compliance.

Client information should never be disclosed to anyone outside Morgan -- other than Morgan's public accountants or counsel working on a relevant project -- unless such disclosure is authorized by the client or required by proper legal process as determined by counsel. When confidential information is communicated to someone who is entitled to receive it, the recipient should be told that the information is confidential and instructed about restrictions on further dissemination.

Trip reports and other documents that contain confidential information should not be sent or made available to Morgan employees who are not entitled to such information.

Sometimes Morgan must sign confidentiality agreements in connection with particular transactions that impose even more stringent limitations on the dissemination or use of client information within the firm. Never enter into such agreements without first consulting the Legal department.

Morgan business units that routinely handle confidential information may need to maintain more detailed policies and procedures for preserving the confidential nature of information in accordance with the general principles set forth above.

### **Confidential information about Morgan**

Confidential information generated within Morgan regarding our own business, whether or not it

might have an impact on the market for Morgan securities, must be kept confidential. Such information should not be disclosed to people within the firm who do not require such information to perform their duties or to any person outside Morgan before such information has been made available to the market generally.

Morgan's Corporate Communication department handles Morgan's relationships with the press and the public. So if you receive any inquiries from the media, refer them to Corporate Communication without comment, and promptly notify a member of that department about the inquiry. All public statements or press interviews should be coordinated in advance with Corporate Communication; you must also receive its approval before giving speeches or publishing written materials, fiction or nonfiction, on subjects relating to Morgan or its business or whenever you are asked to act in the public realm on the firm's behalf.

Descriptions of Morgan's structure, financial condition, products and services, and positions on issues that we wish to share with those outside our organization are contained in publicly available publications -- such as our annual and interim reports, press releases, published speeches and statements, marketing brochures -- and on our public website. You may request this material from Corporate Communication or use information posted on our public website and draw on it for any public statements you make. Some information about Morgan and its organization, systems, and procedures has not been prepared for public release and is considered confidential or proprietary. If you have any questions about whether certain information is public or private, check with your manager or Corporate Communication before disclosing it to anyone outside Morgan.

#### **Processing of Personal Information**

You must safeguard and protect the confidentiality, availability, and integrity of personal information relating to clients, business partners, employees, consultants, and suppliers in accordance with the requirements of local law and Morgan policy. "Processing" of personal information includes the secure collection, use, retention, and transfer of the data. Morgan's Information Risk Policy and Technology Security Standards are designed to provide the appropriate safeguards for protecting the privacy of personal information.

You should recognize and support the expectation of privacy, whether by clients, employees, consultants, or suppliers. Certain information may be subject to regulatory restraints on sharing within the firm.

#### **Inside Information**

##### *Basic Prohibition*

Under the U.S. securities laws (as well as the laws of most countries in which Morgan does business), a person in possession of inside information may not use such information to buy or sell securities or to "tip" another person who then trades. The prohibitions against insider trading remain in effect until the inside information has been fully disclosed to the public or is no longer material. The law relating to inside information is complex and constantly evolving, so you should consult the Legal department in addressing particular situations. This prohibition is the basis for Morgan's Chinese Wall policy.

##### *Definition of inside information*

Inside information is material, nonpublic information about the securities, activities, or financial condition of a corporation, public entity, or other issuer of securities. Material, nonpublic information concerning market developments may also be construed to be inside information.

##### *"Material" Information*

Information is material when it could have an impact on the market price of the securities involved -- that is, if it is likely that a reasonable investor would consider the information important in deciding whether to purchase or sell the securities. Information may be material to certain securities of an issuer but not material to all securities of that issuer (e.g., to equity but not to debt). Examples of information that could be material include (but are not limited to):

- mergers, acquisitions, tender offers, and restructurings
- securities offerings and repurchases

- a change in earnings and dividends (or estimates of same)
- significant new business products, discoveries, and services or the loss of any of these
- a change in an issuer's credit rating by a rating agency
- significant shifts in operating or financial circumstances, such as cash-flow reductions, major write-offs, changes in accounting methods, and strikes at major plants
- voluntary calls of debt or preferred stock issues
- significant litigation or litigation developments
- governmental developments that could affect securities markets

If there is any question regarding whether information is "material", contact Compliance.

*When information is deemed "public"*

Information is deemed public once it has been publicly announced or otherwise disseminated in a manner that makes the information available to all interested persons. If there is any question regarding whether information is "public", contact Compliance.

**Morgan policy on inside information and trading in securities (Chinese Wall policy)**

You may not use inside information to buy or sell securities of any sort, whether for your own account, Morgan's account, or a client's account. It is Morgan's policy to apply the same restrictions to loan sales. Moreover, you may not pass along any inside information expressly or by way of making a recommendation for the purchase or sale of securities based upon such information.

The above policy applies even if the inside information is not acquired through your association with Morgan or if the source of the information is not associated with the issuer whose securities are involved.

To prevent the misuse of inside information, Morgan has established a Chinese Wall policy which separates those areas of Morgan that routinely have access to such information, including (but not limited to) Investment Banking and Mergers and Acquisitions, which are considered insider areas, from those areas that trade in or sell securities or provide investment advice regarding securities, including (but not limited to) Sales, Trading, Research, and Investment Management, which are considered public areas.

Morgan's Chinese Wall policy prohibits anyone in an insider area from communicating any inside information, however obtained, to anyone in a public area. To prevent any improper flow of inside information, employees in insider areas should be physically segregated from employees in public areas. Except in limited cases in which an employee in a public area is brought "over the wall," public area employees should not have access to inside information maintained by insider areas.

In order to avoid the inadvertent receipt of inside information, people in public areas should clearly identify their roles when meeting with a client or potential client.

In principle, the Chinese Wall does not preclude the flow of public information from anyone in a public area to anyone in an insider area. For example, insider area personnel may consult with research, sales, and trading personnel about public information regarding the market if no inside information is conveyed. Because of the risk of inadvertently passing inside information from an insider area to a public area, however, such contact should be made only after consultation with Compliance or in accordance with procedures developed with Compliance. If a public area person receives nonpublic information about an investment banking engagement, Compliance should be contacted immediately.

**Crossing the wall**

Certain people within Morgan – members of Compliance, senior management, legal counsel, and the heads of certain business departments -- typically "straddle" the Chinese Wall and thus will have access to information on both sides of the wall. Those who straddle the wall are deemed to be insider area people and must always exercise caution to avoid the improper use or dissemination of inside information.

In addition, from time to time people in public areas may be brought over the wall to consult with those in insider areas. In such circumstances, inside information may be communicated to public area employees only if (1) there is a valid business purpose for such communication (e.g., when a research analyst's or a salesperson's expertise is required in a corporate finance transaction), (2) those in the public area are advised that the information is confidential and are given the limits on its further dissemination, (3) the prior approval of the supervising managing director is obtained, and (4) Compliance is notified whenever possible before but in any event immediately after any public area person is brought over the wall and is provided the person's name and the purpose of the wall crossing.

If people in the public area are brought over the wall and do receive inside information, special restrictions will be placed on their normal business activities until the inside information is publicly disseminated or is no longer material. Accordingly, particular restraint should be exercised concerning the transmission of information (such as long-term financial projections) that is not likely to become public during the course of Morgan's assignment and that may inhibit the ability of research analysts, salespeople, or traders to engage in normal business activities once their assignments are completed.

#### **Additional departmental procedures**

In addition to the firmwide Chinese Wall described above, certain business areas within Morgan require additional procedures that address more specifically the information flows within such business areas. Procedures for establishing additional walls should be implemented by individual departments in consultation with Compliance.

#### **The Restricted List**

##### *Purpose of the Restricted List*

The trading restrictions of the Restricted List have several purposes, including (but not limited to):

- to prevent violations of SEC rules prohibiting certain trading activities when Morgan is participating in an underwriting or distribution of securities
- to buttress the Chinese Wall by preventing any appearance of impropriety in connection with trading decisions or recommendations

##### *When securities are placed on the Restricted List*

Compliance will determine whether the security or securities involved should be placed on the Restricted List. In addition, a security may be placed on the Restricted List on any occasion when, given the particular facts and circumstances, it is deemed necessary to restrict trading in order to prevent the use or appearance of use of inside information.

##### *Prohibitions*

Generally, during the period in which securities are on the Restricted List, neither Morgan nor any employee may buy or sell, solicit trades in, or recommend the securities of issuers on the Restricted List.

##### *Confidentiality of the Restricted List*

The identity of the securities and issuers on the Restricted List (as well as the Grey List discussed below) is highly confidential and must not be communicated directly or indirectly to anyone outside Morgan. In response to any genuine client inquiry regarding any issuer placed on the Restricted List, salespeople should reply simply that Morgan is not able to take a position in the particular security at that time and is not recommending a buy, sell, or hold with respect to the security. No employee should ever comment to anyone outside Morgan on the status of a security on either of these lists.

#### **The Grey List**

The Grey List is used to monitor situations in which Morgan employees possess inside information. Information about issuers on the Grey List is disseminated only to a very limited number of individuals within Morgan.

Anyone coming into possession of inside information should report that information to the Compliance unit of the Legal department for inclusion on the Grey List. Information reported to the Commitments Office in connection with a conflicts investigation for a proposed transaction will be placed on the conflicts portion of the Grey List by the Commitments Office.

In most cases the Grey List will not block all transactions in securities of issuers on the list. In some situations, however, it will be necessary to block transactions to avoid the appearance of trading on the basis of inside information.

### **3. You are required to recognize and avoid conflicts of interest.**

You should be prudent in your personal borrowing, investments, business, and other activities to ensure that you do not put yourself in a position in which your personal interest – financial or other – might influence or give the appearance of influencing any action you take, judgment you make, or advice you give on behalf of Morgan. You may not, of course, offer anyone bribes, kickbacks, or similar inducements to do business with the firm. Please observe the following prohibitions as well:

- You may not accept gifts, entertainment, or favors from a client, potential client, supplier, or potential supplier of goods or services to Morgan unless what is given is of nominal value and refusal to accept it would be discourteous or otherwise harmful to Morgan.\* (This restriction does not, of course, preclude acceptance of the normal amenities that facilitate the handling of Morgan business, such as a business luncheon or any other activity that would be paid for by Morgan as a business expense if not paid for by the client or supplier.)
- You may not provide excessive gifts or entertainment to clients or potential clients or extend to them banking terms that are more favorable than those normally offered.\*

\* Regulated entities such as J.P. Morgan Securities Inc. may be subject to more specific restrictions on the value of gifts given or received.

### **4. You are required to respect and protect all ownership rights of Morgan and other entities both during and after your employment at Morgan.**

The misappropriation or unauthorized use or removal from Morgan's facilities of any property belonging to Morgan, its clients, business partners, or suppliers is strictly prohibited.

Property includes, without limitation, confidential information, proprietary information, trade secrets, equipment, supplies, and other property of any description. Proprietary information includes, without limitation, products, services, publications, models, files, analyses, and information about employees, clients, consultants, and business partners, as well as lists and contact information for clients (including prospective clients).

Morgan's proprietary information is its exclusive property -- and the contribution you make to the development and implementation of proprietary information while you are employed at Morgan is its property during and after your employment at Morgan. This precludes any claim to such work by you or any person asserting rights through you. You must maintain the confidentiality of proprietary information and trade secrets and prevent their unauthorized use or disclosure to competitors or others during and after your employment at Morgan.

Morgan's relationships with its clients, prospective clients, employees, consultants, suppliers, and others with whom it conducts business are material assets of the firm. During your employment and for one year after you leave, Morgan employees must not, directly or indirectly:

- solicit for a competitor, or divert or attempt to divert from doing business with Morgan, any client, supplier, or other person or entity with whom Morgan has or had a business relationship
- solicit Morgan's employees or agents for employment or engagement elsewhere or solicit or induce any person to leave the firm

Any violation or breach of these Rules would cause Morgan irreparable harm, and monetary damages would be inadequate as a remedy for such violation or breach. In the event of any



threatened or actual violation or breach, Morgan will be entitled to injunctive relief or specific performance, in addition to monetary damages and any other legal remedies available to Morgan, and any disciplinary action Morgan may take.

Some proprietary information of Morgan's clients, business partners, and suppliers may be subject to licenses, confidentiality agreements, or laws that restrict its use, duplication, and disclosure. You should be aware of and honor those restrictions.

Proprietary information of your earlier employers or other third parties, including any items developed by you at those firms, in all likelihood remains the property of those third parties, and you should not bring such property to Morgan. Doing so could subject you and Morgan to serious liability.

**5. You are required to conduct outside activities in a way that does not compromise you or Morgan.**

To protect its clients, its business, and you, Morgan places restrictions on the non-Morgan business connections you may have. The prior consent of the Chairman of the Board or his or her designee is therefore required for an employee to engage in any business-related activity outside Morgan (except supplemental employment by staff members, as described below), whether the activity is intermittent or continuing and whether or not compensation is received.

For example, an employee must obtain approval to become:

- an officer, director, or trustee of any corporation (other than a nonprofit corporation or cooperative corporation owning the building in which you reside)
- a member of a partnership (other than a limited partner in a partnership established solely for investment purposes; see rule 8)
- an executor, trustee, guardian, or similar fiduciary advisor (other than for a family member)

Requests for such approval should be filed with the Secretary of Morgan. If approval is given and you undertake the activity or position, you should then notify the Secretary if and when those responsibilities end.

An employee does not need special consent when serving as an officer or director of an outside corporation at the written request of a department or division head at Morgan. (Copies of such requests should be filed with the Secretary of Morgan.)

Your job at Morgan should always be your first work priority. Nevertheless, full-time staff members may undertake supplemental employment without the prior approval of the Chairman of the Board or a designee provided that they tell an appropriate manager and that the work does not interfere with their commitment to Morgan. You may not, however, be employed by another bank or brokerage firm or undertake other supplemental employment that might influence, or appear to influence, your actions or judgments, or the advice you give, as a Morgan employee.

**Working for the community**

Prior approval is not necessary for volunteer work you do or for positions you hold in nonprofit organizations -- even if this entails providing financial advice to the group. The personal interests you pursue outside Morgan, however, should not infringe on the time you should be spending for Morgan. If you have any questions about an activity, always consult your manager.

**6. You are required to manage your personal finances properly.**

Because of the nature of Morgan's business, any improper handling of your personal finances could undermine your credibility and that of the firm. Furthermore, a precarious financial position might appear to influence actions or judgments you make on behalf of Morgan. You should therefore conduct your personal financial affairs in a prudent manner.

**7. You are required to treat Morgan employees, customers, and all other business associates**

fairly and with respect.

The firm expects employees to respect and value one another's individual differences. Further, it is Morgan's policy to ensure equal employment opportunity for all, regardless of race, color, religion, creed, sex, national origin, age, disability, sexual orientation, marital status, or any other protected characteristic and to deal with customers and prospective customers on a nondiscriminatory basis.

All employees are responsible for ensuring implementation of this policy and maintaining a business environment free of offense, harassment, and intimidation. Direct any questions about this policy -- and any reports of potential violations to your manager or to the Employee Relations unit in Human Relations.

**8. You are required to carry out personal securities and other financial transactions in accordance with Morgan's rules, including the preclearance of transactions and, if required in your location, use of a designated broker.**

While rules and laws governing financial transactions will vary from one business area to the next and from country to country, all Morgan employees worldwide must conform to the policies and rules set forth below. To the extent that other regulatory requirements influence particular groups of employees, they will be accommodated by supplemental rules prepared and distributed by the appropriate Compliance unit. Consultants on assignment at Morgan and employees of Investment Management and Private Banking are examples of groups subject to such supplemental rules and policies governing personal securities transactions.

#### **Preclearance and designated brokerage**

All personal securities transactions, including investments in hedge funds and private companies (except open-ended mutual funds or U.S. Government and certain other sovereign debt), must be precleared. And if Morgan has established designated brokers in your location, you must maintain your personal securities accounts with them.

These restrictions apply not only to your accounts but also to the accounts of your close relatives and to other accounts over which you may exercise influence. Specifically, the rules governing employee transactions apply to all "employee-associated accounts," defined as:

- all accounts in the name of the employee or the employee's spouse or minor children or any other person residing with the employee or to whose support the employee significantly contributes
- all accounts in which any of these people has a beneficial interest
- all other accounts over which any such person exercises any investment discretion

Exceptions may be requested from Compliance when accounts are covered by this definition but the employee does not exercise any influence over investment decisions – say, for a truly discretionary account for which full investment discretion has been granted to a bank, trustee, or investment advisor and none of the individuals specified above has any role in or advance notice of any transaction decisions.

#### **Investment policy**

Morgan employees are required to devote their workdays to serving the interests of our clients and the firm. Accordingly, all personal transactions of employees must be oriented toward a philosophy of investment as distinguished from short-term or speculative trading. This policy applies to all securities, derivatives, and commodities.

Instruments will be considered held for investment if they are held as part of a person's investment portfolio (including those held for liquidity management purposes) and do not involve a pattern of "in and out" activity of the kind conducted by trading departments. Transactions that are generally prohibited include short sales of any securities, as well as purchases and sales of options (except as noted below), rights, warrants, or futures contracts, unless made for bona fide hedging purposes against an offsetting position. Purchases of options on certain widely traded indices specified by Compliance will be permitted if made for investment purposes. Speculative trading in foreign exchange is not permitted.

Transactions in the following securities are prohibited without approval from the employee's supervising managing director and from Compliance:

- securities of an issuer with which any employee has or recently had significant dealings or responsibility on behalf of Morgan
- securities of an issuer similar in type to those bought or sold by the employee's department, whether for Morgan or its clients
- securities of an issuer covered by the employee as a research analyst
- new issues of securities if Morgan is participating in the transaction, while such issues remain in syndication\*

In addition, employees are not permitted to purchase or sell securities on the basis of knowledge about a business activity or trading position or strategy of Morgan or a client, whether or not such knowledge is inside information.

Certain departments may also prohibit or require prior approval of some or all personal securities transactions and may develop policies regarding employee securities accounts or reporting requirements with respect to such accounts.

\* U.S. regulation prohibits employees of J.P. Morgan Securities Inc. and certain other Morgan employees performing banking or investment management functions from purchasing "hot" new issues whether or not Morgan participates in the transactions. U.S. employees should contact Compliance for further information and before entering into any such transaction.

#### **Transactions in Morgan securities**

No purchases or sales of J.P. Morgan securities may take place from the 27th day of each March, June, September, and December until the second business day after the earnings release in the following month. (Employees with access to particular information about these securities are subject to more stringent restrictions.) On occasion, Compliance may curtail transactions in Morgan securities even outside the periods described above; conversely, in extraordinary circumstances, it may grant exceptions to the prohibitions on sales during these periods.

All such restrictions apply to all employee-associated accounts and to elections to transfer into or out of the JPM Stock Fund under the Deferred Profit Sharing or 401(k) plans. They do not apply to the exercise of a stock option so long as the shares acquired are not sold during the restricted period.

All purchases and sales of Morgan securities should be precleared with Compliance and then executed through J.P. Morgan or through a designated broker unless the head of Compliance grants an exemption for a specific transaction. Contact Compliance for more information.

Morgan employees may not purchase or sell options on Morgan stock or engage in short sales of Morgan.

#### **Legal Policy Database**

#### **Legal & Compliance Web Site**

*Please note that this site is not a substitute for actual legal and compliance advice. You should contact Legal and Compliance with all legal and compliance questions. The information on this site is for internal use only and should not be forwarded to anyone outside J.P. Morgan Chase. This site may also include proprietary and confidential information to J.P. Morgan Chase that must not be disclosed to anyone outside the firm.*

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